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Overview

Policy

The Internal Revenue Service (IRS) requires information returns for federal tax compliance. State agencies and institutions have the option of using DOA's 1099 Adjustment and Reporting System (ARS) to meet the federal requirements for filing the most common types of non-payroll information returns. This Topic describes the procedures for using the ARS. CAPP Topic No. 20320, *Information Returns Reporting,* describes the federal compliance requirements.

DOA's 1099 Adjustment and Reporting System (ARS)

The ARS allows participating state agencies and institutions to:

- Accumulate payments that require information returns reporting on IRS Forms 1099-A, 1099-G, and 1099-M. The ARS does **not** support other 1099's or other types of information returns.

- Process 1099 adjustment transactions.

- Download 1099 data from the Financial Information Downloading System (FINDS).

- Print information returns forms using a PC based software package.

- Generate magnetic media in an IRS approved format using a PC based software package.

- File information returns by paper, magnetic media or electronically in an IRS approved format using a PC based software package.

Features of the 1099 Adjustment and Reporting System (ARS) include:

- Processing adjustment transactions to increase or decrease vendor payment balances without impacting the Commonwealth Accounting and Reporting System (CARS) financial files.

- Viewing on-line 1099 transactions and adjustments by Vendor ID, form type, and reporting box number.

- Accessing 1099 data through FINDS for use in printing information returns and generating magnetic media or filing electronically.

- Providing participating state agencies with the monthly, quarterly and end of calendar year printouts of the total reportable payments (including ARS adjustments) by reportable recipient by Form type.

ARS Requirements

Getting Started— Security Access to the ARS

Access to the ARS is controlled through the CARS Security Table and the D09, Agency Descriptor Table, and is restricted to agencies participating in the system. To participate in the ARS, a CARS Security Table Maintenance Form must be completed and signed by the Agency's CARS Security Officer. Agencies participating in the ARS must also obtain security access to maintain and update the agency's Vendor Edit Table. **Call DOA's General Accounting Section at (804) 225-2376 to get started.**

Instructions for completing this form are located in **CAPP Topic 70220 – Security**. A separate form is required for each User ID that will access the ARS. A security violation message appears on the on-line screen when a user selects a function for which he/she does not have access. Individuals authorized to enter data and update the ARS will be able to process adjustment transactions.

ARS participants will also need authorized security clearance to access FINDS to download their ARS data to their PC based software at the end of the year. See the FINDS Access Subsection in the FINDS Download Section of this CAPP Topic.

Potentially Reportable Object Codes

The Object Code Table (D16) in the Commonwealth's Accounting and Reporting System (CARS) is coded to assist agencies in reporting 1099 reportable payment transactions. DOA has identified those object codes, which are potentially subject to the IRS 1099 reporting requirements (see Exhibit A at the end of CAPP Topic No. 20320), and assigned each reportable object code a 2-digit form type and reporting box number on the D16 Table.

Most object codes clearly identify the reportable services rendered by the vendor, such as object code 1241, Auditing Services. However, other object codes may be used to identify both reportable and non-reportable payments. For example, object code 1205, Seat Management Services, may be used to code payments for computer hardware and software through a single source contract including support services. Only the portion of the payment that pertains to services is reportable. Therefore, the **object code alone cannot be used to determine the reportability of the payment.** The vendor type (i.e., individual, sole proprietor, etc.) must also be considered.

Vendor Edit Table Listing

Agencies should request a copy of the **ACT940**, *Vendor Table Listing*, from General Accounting, and verify that all potentially reportable vendors are properly coded for vendor type and Taxpayer Identification Number (EIN, SSN, or both).

ARS Requirements, Continued

1099 Indicator Code

When processing a reportable transaction on a CARS accounting voucher, a 1099 Indicator Code is required. Valid values for this field are:

Y = Yes, the transaction is 1099 reportable

Blank = No, the transaction is not 1099 reportable

Any entry other than Y or Blank will result in an error message.

Coding Reportable Payments

Agencies enter transactions in the following manner:

1.   On-line Keyed Transactions

If…	*And ….*	*Then ….*
Reportable Payments are coded to a Reportable Object Code	1099 Indicator = Y	Accept
Reportable Payments are coded to a Non Reportable Object Code	1099 Indicator = Y	Error – EG6 1099 Ind. Invalid **Note:** Agencies should review the transaction for proper coding and take appropriate corrective action. Either change the object code or press the space bar to blank the field.

2.   Transaction Submitted by Other than On-line

If…	*And ….*	*Then ….*
Reportable Payments are coded to a Reportable Object Code	1099 Indicator = Y	Accept
Reportable Payments are coded to a Non Reportable Object Code	1099 Indicator = Y	Go to the CARS error file. It is the agency's responsibility to review the CARS error file and submit the appropriate corrections to the Error Correction Unit in General Accounting at DOA.

Transactions charged to 1099 reportable object codes that are not identified with a **Y** in the 1099 Indicator Field are listed in the monthly ACTR3005, *Potential 1099 Reportable Transactions Report*. See details in the 1099 *Information Returns Reports* section of this CAPP topic.

VE Table Maintenance Requirements

Establish Reportable Vendors in the Vendor Edit (VE) Table

Only those vendors established in the agency's Vendor Edit (VE) Table can be coded with reportable transactions. **Therefore, vendors must be established in the agency's VE Table before a payment can be coded with a "Y" in the 1099 Indicator Field**. If not, an online error message will display, and the transaction will not be allowed.

Security Requirements

Agencies must submit an approved CARS Security Table Maintenance Form to General Accounting requesting user access to their agency's VE Table or to their control agency's VE Table for table maintenance purposes in accordance with the requirements in CAPP Topic No. 70220 – *Security* and CAPP Topic No. 60111, *Vendor Edit Table*.

Update Data Elements as Required

The 1099 reporting data elements in the VE Table must be updated as changes occur. For example, an update would be required when a vendor reports a change in his or her Vendor Type on the Form W-9. Sometimes, for example, a reportable sole proprietor (Vendor Type 7 on the VE Table) will change to a non-reportable corporation (Vendor Type 6 on the VE Table).

Data Element	Description
1099-Mailing-Address	This field is defined as the vendor's business mailing address and is not valid for foreign vendors. If the vendor's remittance address and the vendor's mailing address are the same, enter only the vendor's address in the remittance address field.
Vendor-Remittance-Address	This field is defined as the business payment remittance address and is valid for foreign vendors.

VE Table Maintenance Requirements, Continued

Update Data Elements as Required (continued)

Data Element	Description
Vendor Type	This one position field is used to denote the type of payee.

<div style="margin-left: 2em;">

Value   **Definition**

0   Vendor Other (e.g.: non-profit organizations)
1   State Employee
2   Federal Agency
3   State Government
4   Local Government
5   Political Subdivision
6   Non-Reportable Corporation
7   **Sole Proprietors and Reportable Individuals**
8   **Reportable Corporation (medical and/or legal)**
9   Non-Reportable Individual
A   **Partnership**
B   **Estates**
C   **Trusts**
D   **Limited Liability Company**

</div>

Note: Only Vendor types 7, 8, A, B, C, or D are 1099 reportable.

Vendors Types Must Agree With the DOA EDI VE Table

An error message will occur for EDI vendors if the Vendor Type in the agency's Vendor Edit (VE) Table does not agree with the Vendor Type in the EDI VE Table. DOA's General Accounting Section maintains the EDI VE Table under Agency 000. For assistance, contact General Accounting at gaact@doa.virginia.gov or call **(804) 225-2376.**

Types of ARS Adjustments

Types of ARS Adjustments

Agencies must develop procedures to identify all sources of vendor payments and make ARS adjustments to increase or decrease vendor payments recorded in the ARS for transactions from the following sources:

- Petty Cash funds (individual payees not recorded in CARS) – **see Note (1) below**
- Stop payments.
- Voided Checks
- Manual Checks (Specials)
- Agency Small Purchase Charge Card, Refer to CAPP Topic No. 20355—*Purchasing Charge Card* (individual payees not recorded in CARS) – **see Note (2) below**
- Garnishments for Nonemployees
- Refunds from payees (Deposit Certificates)
- Adjustments to correct the object code of expenditure or other data entry error adjustments – **see Note (3) below**.
- Payments from funds not recorded in CARS.
- Debt setoff payment reductions, and
- Backup withholding.

Note (1): Agencies that pay invoices using petty cash must establish procedures to accumulate 1099 reportable vendor payments incurred through the use of petty cash. If the payment amounts meet or exceed the IRS reportable amounts, the vendor should receive a Form 1099-MISC.

Note (2): Agencies participating in the Small Purchase Charge Card Program (SPCC) should ensure that all eligible payments for reportable vendors are reported on a Form 1099. See CAPP Topic No. 20355—*Purchasing Charge Card*. SPCC payments to individual Vendor ID are not recorded in CARS because the SPCC payment is made to American Express (AMEX) and not to the individual vendors. Keep in mind that <u>most of the time</u> the SPCC is used for <u>materials and supplies</u>, which are <u>not</u> 1099 reportable. However, agencies should review the monthly AMEX bill to see if the SPCC was used for <u>services</u>, which <u>are reportable</u>. When you have identified vendors from whom your agency purchased services, determine the vendor type, etc. and after receiving the information, enter the vendor information on the Vendor Edit Table.

Note (3): Other adjustments include decreasing a reportable payment by the amount for materials for payment of a bill that includes both materials and services.

ARS Adjustment Procedures

Making ARS Adjustment Transactions

The 1099 Adjustment and Reporting System has three options accessible from the CARS Main Menu screen:

- **Option 70 ADJUSTMENT TRANSACTIONS -** Allows the user to enter 1099 adjustment transactions, correct adjustment transactions as necessary, and inquire as to adjustment transaction status.

Screen 1	BATCH HEADER	(S700)
Screen 2	DETAIL DATA	(S701)
Screen 3	BATCH BALANCE	(S720)
Screen 4	RECALL BATCH	(S710)
Screen 5	VIEW BATCH	(S730)
Screen 6	UNPOSTED BATCHES	(S740)

    On-line screens are described in the "Procedures" section of this topic.

- **Option 75 VIEW DETAIL DATA –** Allows the user to view 1099 reportable transactions and adjustments by:

    - TRANSACTION AGENCY
    - VENDOR ID (9 POSITIONS)
    - REPORTING YEAR

    Option 75 is detailed in the subtopic entitled "Viewing Batch Detail by Agency and Vendor ID."

- **Option 76 VIEW SUMMARY DATA -** Allows the user to view 1099 reportable data by:

    - TRANSACTION AGENCY
    - VENDOR ID (9 POSITIONS)
    - IRS FORM TYPE
    - REPORTING BOX NUMBER
    - REPORTING YEAR

    Option 76 is detailed in the subtopic entitled "Viewing Batch Detail by Form Type and Box Number."

ARS Adjustment Procedures, Continued

Entering and Balancing a Batch

To batch 1099 adjustments, follow similar procedures used for batching expenditure documents (see CAPP Topic No. 70235—*Input Batching*). Adjustment transactions are batched with the total transaction amount and batch count summarized on the batch header form. Agencies can design their own batch header document or utilize the CARS Batch Header Form, DA-02-176. A sample of the batch header form is found in CAPP Topic No. 70235—*Input Batching*.

When using the CARS Batch Header form, check the document type as "Other." Compile no more than 25 individual documents per batch to expedite the entry of adjustment transactions.

Do not send the batch source documents to DOA. Retain the batches at the agency with the 1099 year-end workpapers for potential review and audit.

How to Process a Batch

Follow these steps to access the 1099 Adjustment and Reporting Program and process adjustment transactions:

Step	Action
1	Select 1099 Adjustment System's **Option 70** from the CARS Main Menu (S100).

Note: Transactions processed through Option 70 **do not post to CARS transaction files**, but are accumulated on a calendar year basis in the 1099 Adjustment Transaction file. 1099 reportable payments and adjustment transactions are accumulated throughout the year and at the end of each calendar year they are reported by:

- Reporting Entity
- Vendor ID (9 positions)
- Object Code
- Form Type
- Box Number, and
- Reporting Year

The Option 70, Adjustment Transactions selection, will access the ACTL700, **1099 Adjustment System Batch Header Data Screen (S700).** The Batch Header Screen serves as the main menu for the adjustment system.

ARS Adjustment Procedures, Continued

How To Process A Batch (continued)

Step	Action
2	Enter the required data, described below, to process a batch transaction.

The following data elements are displayed on the Batch Header Screen:

Data Element	Input	Definition
BATCH AGENCY	Required	Three digit code identifying the agency processing the batch.
BATCH DATE	Required	Date assigned to the adjustment batch.
BATCH NO.	Required	Unique number used to identify the adjustment batch.
AGENCY LIST NO.	Optional	Unique number assigned by the agency and used to further identify the adjustment batch.
ADJUSTMENT YEAR	Required	Four-digit field used to identify the calendar year in which the adjustment transaction is applicable (i.e. 2004, 2005).
BATCH COUNT	Required	Number of transactions in the adjustment batch.
BATCH AMOUNT	Required	Total dollar amount of the transactions in the adjustment batch.

Step	Action
3	Press **ENTER** to continue to the ACTL701, **1099 Adjustment System Detail Data Screen,** which is divided into two sections, **Detail Data** and **Original Transaction Reference Data (S701). Note: Adjustment transactions are permitted only for those vendors established in the agency's Vendor Edit Table.**
4	Select one of the following functions to begin data entry for **Part I** - Detail Data:
	F To begin data entry and clear the screen.
	N To retain the same information for multiple transactions.
	PF13 (Batch Header Screen) Exits the adjustment transaction and returns to the Batch Header Data Screen.
	PF14 (Recall Batch) Allows agencies to ADD, CHANGE, or DELETE an adjustment transaction or the batch header record. This screen also indicates whether or not the batch is in balance.

ARS Adjustment Procedures, Continued

How To Process A Batch (continued)

Step	Action
	Information for the following data elements is retrieved from the ACTL0700, **Adjustment Batch Header Screen**: • B-AGY • B-DATE • B-NO • ADJ YR, and • SEQUENCE NO (automatically assigned by the system to each transaction line).
5	Enter data for **Part I - Detail Data** as required:

Data Element	Input	Definition
VENDOR ID	Required	Twelve position field comprised of the 1-digit Vendor Indicator (T), the 9 digit Vendor Number, and a 2 digit Vendor Suffix. This field represents the vendor's EIN or SSN.
AGENCY LIST	Optional	Unique number assigned by the agency, which is used to further identify the adjustment batch.
NAME	Table lookup	Accessed from the agency's Vendor Edit Table and represents the name of the vendor to be adjusted.
ADDR-1 ADDR-2	Table lookup	Accessed from the agency's Vendor Edit Table and represents the vendor's remittance address.
CITY, STATE, and ZIP	Table lookup	Accessed from the agency's Vendor Edit Table. Foreign vendors are designated with a double asterisk (**) in the State field.
ADJ VOUCHER NO	Required	Unique number assigned by the agency to identify the adjustment transaction.

ARS Adjustment Procedures, Continued

How To Process A Batch (continued)

Step	Action		
	Data Element	**Input**	**Definition**
	ADJ VOUCHER DATE	Required	Date the adjustment voucher was prepared.
	ATC	Required	Adjustment Transaction Code is a one digit indicator used to increase or decrease the total payment balance paid to a vendor for a calendar year. Valid values are: **I** = Increase payment balance; and, **D** = Decrease payment balance.
	ATYP	Required	Adjustment Type is a one digit indicator used to identify the type of 1099 adjustment. Valid values are: 1 = Petty Cash Disbursements 2 = Stop Payments on Checks 3 = Voided Checks 4 = Manual Checks (Specials) 5 = Payments made to 1099 Reportable Vendors using a State Charge Card 6 = Garnishments for Nonemployees 7 = Refunds from Payees (Deposit Certificates) 8 = Adjustments to correct the object code of expenditure or to correct other data entry errors 9 = Payments from funds (i.e., non-state funds) not recorded in CARS A = Debt Setoff Payment Reductions B = Backup Withholding Payments

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ARS Adjustment Procedures, Continued

How To Process a Batch (continued)

Step	Action		
	Data Element	**Input**	**Definition**
	AGY	Required	Agency code under which the adjustment transaction is recorded.
	OBJ	Required	Object code of expenditure.
	1099 IND	Permanently Coded	1099 Indicator code is permanently coded with a Y.
	AMT	Required	Dollar amount of the adjustment transaction.

Part II - Original Transaction Reference Data is optional and is for agency reference only.

Step	Action		
6	Enter data for Part II - Original Transaction Reference Data.		
	Data Element	**Input**	**Definition**
	AGY	Optional	Three digit code identifying the agency code under which the original transaction was recorded.
	DATE	Optional	Date the original transaction was processed (Month/Day/Year).
	NO	Optional	Batch No. of the original transaction to be adjusted.
	SEQ	Optional	Sequence No. of the original transaction to be adjusted.
	AGY LIST	Optional	Agency List Number of the original transaction to be adjusted.
	AGY VOUCHER NO	Optional	Voucher No. of the original transaction to be adjusted.

ARS Adjustment Procedures, Continued

How To Process a Batch (continued)

Step	Action		
	AGY VOUCHER DATE	Optional	Voucher Date of the original transaction to be adjusted (Month/Day/Year).
	CHECK NO.	Optional	Check Number of the original transaction to be adjusted.
	CHECK DATE	Optional	Check Date of the original transaction to be adjusted.
	DC NUMBER	Optional	DC Number of the original transaction to be adjusted.
	DC DATE	Optional	DC Date of the original transaction to be adjusted.
7	After completing the required information, **press ENTER to display the vendor information**.		
8	**Is this the record to update? Y or N**. If the data and vendor information is to be corrected, enter a **Y** on the function line and press **ENTER**.		
9	Enter **N** on the function line for **multiple transactions** and repeat the above procedure until all batch transactions are keyed.		
10	Select **PF15** to access the ACTL720, **1099 Adjustment System Batch Balance Screen (S720)**.		

The system automatically compares the number of transactions and the batch amount keyed on the ACTL700, **Batch Header Data Screen**, to the computed number of transactions and the batch amount.

When the batch counts and amounts agree, the system displays the message **Batch in Balance.** Balanced batches automatically post to the Adjustment File during the nightly edit/update.

When the batch count and amounts do not agree, the system displays the error message **Batch not in Balance.** (Refer to the subtopic entitled "How to Balance a Batch" for instructions on balancing a batch.)

ARS Adjustment Procedures, Continued

How to Balance a Batch

When the batch count and amounts do not agree, the system displays the error message **Batch not in Balance.** When this occurs, follow the steps below to balance the batch.

Step	Action
1	Select PF14, **Recall Batch Screen (S710),** from the function choices to make corrections.
	N — Retrieves the next adjustment batch for viewing.
	D — Deletes an entire adjustment batch.
	PF13 (Batch Header Screen) — Exits the adjustment transaction and returns the user to the Batch Header Data Screen.
	PF14 (Recall Batch) — Allows agencies to ADD, CHANGE, or DELETE an adjustment transaction or the batch header record. This screen also indicates whether or not the batch is in balance.
	PF16 (View Batch) — Views the detail data of a batch.
2	Use the PF 16, **View Batch** screen to verify that the computed number of transactions and the computed amount are correct.
3	Select one of the following options:
	PF13 — To return to the Main Menu to key a new adjustment batch.
	PF14 — To recall the batch for correction.
	PF16 — To view batch detail.

Reviewing Unposted Batches

Determine the batch status by accessing the ACTL740, **1099 Adjustment System Unposted Batches Screen (S740)**.

A nightly edit/update is processed and balanced batches are removed from the **Unposted Batches File** and posted to the **1099 Adjustment Transaction File**.

ARS Adjustment Procedures, Continued

Adjustment transaction control reports are:

- ACTB3000, *1099 Adjustment Transmittal Listing* -- an example is shown at the end of the 1099 Information Returns reports section of this CAPP Topic. This report is generated <u>daily</u> for agencies processing adjustment transactions. It reports all adjustment batches keyed for the day, <u>along with any previously-keyed batches which are out of balance.</u> **Note:** The agency will continue to receive this report on a daily basis until all "Out of Balance" batches are corrected or deleted. (**Note:** In early April, DOA will delete all unposted batches that were entered into the ARS in a prior calendar year.)

- When an adjustment batch is <u>in balance</u>, the batch is removed from the **Unposted Batches File** and is posted to the **1099 Adjustment Transaction File**. Posted transactions can be viewed online using Options 75, **View Detail Data,** and Option 76, **View Summary Data**.

- Remaining batches are displayed on the ACTL740, **Unposted Batches** screen, and can be recalled for correction by selecting PF14, **Recall Batch (S710)**.

Batches appearing on the ACTL740, **Unposted Batches (S740) Screen** cannot be queried using Option 75 (**View Detail**) and Option 76 (**View Summary**) because they have not posted to the 1099 Adjustment Transaction File. Follow these steps for reviewing unposted batches:

Step	Action
1	Select the appropriate screen function to review unposted batches:
	S Reads first screen of selection.
	N Retrieves the next screen.
	C Clears the screen.
	PF13 (Batch Header Screen) Exits the adjustment transaction and returns the user to the Batch Header Data Screen.
	PF14 (Recall Batch) Allows agencies to ADD, CHANGE, or DELETE an adjustment transaction or the batch header record. This screen also indicates whether or not the batch is in balance.
	PF16 (View Batch) Views the batch detail.
2	Enter the Adjustment Batch ID as the Search Type.

ARS Adjustment Procedures, Continued

Reviewing Unposted Batches (continued)

3	Select **S** and press **ENTER**. If more than one screen of data exists, select **N** and press **ENTER** to continue viewing.

The data elements displayed for ACTL740, **Unposted Batches Screen**, are:

Data Element	Input	Definition
AGY	Provided	Posting agency.
DATE	Provided	Date that the batch was prepared by the agency.
NO	Provided	Batch Number.
ADJ YR	Provided	Year in which adjustment transaction will be posted and reported.
ENTRY DATE	Provided	Date the adjustment transaction is entered in the system.
BATCH COUNT	Provided	Number of transactions in the adjustment batch.

How to Correct a Batch

Recall a batch for correction by selecting PF14 **(Recall Batch)**. This selection accesses the ACTL0710, **Recall Batch Screen (S710).**

Follow the steps below to process a batch requiring ADDITIONS, CHANGES, and DELETIONS.

Step	Action
1	Select the appropriate screen function:
	A — Adds data to an existing adjustment transaction.
	B — Changes a Batch Header record.
	C — Changes the detail data for an adjustment transaction.
	D — Deletes the adjustment transaction.
	PF13 (Batch Header Screen) — Exits the adjustment transaction and returns to the Batch Header Data screen.

ARS Adjustment Procedures, Continued

How to Correct a Batch (continued)

Step	Action		
	PF15 (Batch Balance)	Displays whether or not a batch is in balance. You can VIEW, CHANGE, or DELETE a batch.	
	PF16 (View Batch)	Views the detail data of a batch.	
	PF17 (Unposted Batches)	Views unposted batches.	
2	Enter the information as required on the ACTL710 screen and press **ENTER**.		
	Data Element	**Input**	**Definition**
	BATCH-AGENCY	Required	Agency initiating the adjustment transaction.
	DATE	Required	Date that the adjustment batch was prepared.
	NO	Required	Batch number.
	SEQUENCE	Required for Function "C" or "D"	Number automatically assigned to each adjustment transaction by the system.
	AGENCY-LIST	Required for Function "B"	Number assigned by the agency to further identify the adjustment transaction.
	ADJUST-YR	Required for Function "B"	Calendar year in which the adjustment should be posted and reported.
	NEW-BATCH-COUNT	Required for Function "B"	Revised number of transactions contained within a batch.
	NEW-BATCH-AMOUNT	Required for Function "B"	Revised dollar value of transactions within a batch.
3	Press **ENTER** to successfully change the record.		
4	Press PF15, **Batch Balance (S720)** to verify that the data was changed and the batch is in balance.		

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ARS Adjustment Procedures, Continued

How to View Batch Detail by Batch ID

To view the batch detail, access the ACTL730, **1099 Adjustment System View Batch (S730) Screen**.

Follow the steps below to view a batch by Batch ID.

1	Select the appropriate screen function:	
	F	Reads the first screen of a selected transaction.
	N	Retrieves the next screen of a selected transaction.
	PF13 (Batch Header Screen)	Exits the adjustment transaction and returns to the Batch Header Data Screen.
	PF14 (Recall Batch)	Allows agencies to ADD, CHANGE, or DELETE an adjustment transaction or the batch header record. This screen also indicates whether or not the batch is in balance.
	PF17 (Unposted Batches)	Views unposted batches.
2	Enter the appropriate search criteria: Batch Agency, Batch Date, and Batch Number and press **ENTER**. The data elements found on the ACTL730 screen are:	
	Data Element **Input** **Definition**	
	BATCH-AGENCY Required The agency initiating the adjustment transaction.	
	DATE Required The date that the batch was prepared.	
	BATCH NO Required The batch number.	

How to View Batch Detail By Transaction Agency and Vendor ID

Access the ACTL750, **1099 Adjustment System Detail (S750) Screen**, to view batch detail by transaction agency and vendor ID.

This screen displays 1099 reportable payments and adjustment transactions by Transaction Agency, Vendor ID, and Reporting Year. Only transactions meeting specific 1099 reporting criteria are displayed on this screen.

Continued on next page

ARS Adjustment Procedures, Continued

The screen detail supports the summary information printed on the ACTR3015, **Reportable 1099 Transactions with Adjustments**, and the information displayed through Option 76, ACTL760, **1099 Adjustment System – View Summary Data.**

Follow these steps to query 1099 reportable transactions and adjustments:

Step	Action
1	Select Option 75, **View Detail** from the CARS Main Menu to access the ACTL750, **1099 Adjustment System Detail Screen**.
2	The following functions may be selected: **S** Selects a new vendor. **N** Views the next screen for the same vendor. **PF13** Returns to the CARS Main Menu.
3	To select a new vendor (Function S), enter the following data: • Transaction Agency • Vendor ID (9 positions) • Reporting Year
4	Complete the required information for the following data and press **ENTER**. **Data Element** **Definition** AGENCY Agencies must **enter the transaction agency and not the batch agency** in this field. The transaction agency represents the agency charged with the reportable payment or adjustment transaction. This distinction is especially important when querying transactions involving a control agency/transaction agency relationship. VENDOR ID This is a nine position field which represents the Vendor's ID. REPORTING YR A four position field representing the calendar year in which the payment or adjustment is applicable (i.e.2004, 2005).

ARS Adjustment Procedures, Continued

How to View Batch Detail By Transaction Agency and Vendor ID (continued)

The following data elements are displayed on the ACTL750, **1099 Adjustment System Detail (S750) Screen:**

> **Data Element**
> SOLE PROP NAME
> NAME
> TYPE
> EIN/SSN
> OBJECT CODE
> TRANSACTION ID
> AMOUNT
> PYMT NO
> DATE
> ATYP

How to View Batch Detail By Form Type and Box Number

Access the ACTL760, **1099 Adjustment Summary (S760) Screen**, to view batch detail by form type and box number.

This screen displays 1099 reportable payments and adjustment transactions by Form Type, Box Number, Total Box Amount, and Total Form Amount:

The detail displayed on the ACTL760 screen mirrors the summary information printed on the ACTR3015, **Reportable 1099 Transactions with Adjustments**, and the detail information displayed through Option 75, ACTL750, **1099 Adjustment System – View Detail Data.** Follow these steps to query summary 1099 reporting balances:

Step	Action
1	Select Option 76, **View Summary Detail**, from the CARS Main Menu.
2	Select from the following functions: **S** Selects a new vendor. **PF13** Returns the user to the CARS Main Menu.

ARS Adjustment Procedures, Continued

How to View Batch Detail By Form Type and Box Number (continued)

Step	Action
3	To select a new vendor (**Function S**), enter the required information and press **ENTER**.

Data Element	Input	Definition
AGENCY	Required	Agencies must **enter the transaction agency and not the batch agency** in this field. The transaction agency represents the agency charged with the reportable payment or adjustment transaction. This distinction is especially important when querying transactions involving a control agency/transaction agency relationship.
VENDOR ID	Required	This is a nine position field which represents the Vendor's ID.
REPORTING YEAR	Required	Four-position field representing the calendar year in which the payment or adjustment is applicable (i.e.2004, 2005).

Step	Action
4	The following data elements are displayed on this screen:

Data Element

Sole Prop Name
Vendor Name
Vendor Type
EIN/SSN
1099 Type/Box
Total Box Amount
Total Form Amount

1099 Information Returns Reports

Daily Adjustment Reporting

The ACTB3000, **1099 Adjustment Transmittal Listing,** lists all daily adjustment transactions by Batch Agency and Batch ID.

Whenever adjustment information is entered on the ACTL701, **Adjustment Detail Data Screen**, an ACTB3000 Report is produced. This daily report is generated when an adjustment transaction is processed. This report will be generated until all agency adjustment batches are balanced and posted to the 1099 transaction file.

Agencies can view their unposted and corrected batches by selecting Option 70 on the CARS main menu.

An example of this report is shown at the end of this Section.

Carefully review this report for accuracy and content. Batches displaying an error message on the **Batch ID/Total Count** line require further action and will not post to the 1099 Adjustment file. Recall and correct these batches.

Year End ARS CARS Reports

Batches that are error free and balanced will post to the Adjustment Transaction File for inclusion in the following year-end annual calendar year reports:

- ACTR3005, *Reportable (and Potentially Reportable) Transaction Report*
- ACTR3010, *Detail Reportable 1099 Transactions With Adjustments*
- ACTR3015, *Reportable 1099 Transactions with Adjustments*
- ACTB3035, *Vendor Payments Subject to Information Returns Reporting*
- ACTB3040, *Vendor Payments Subject to Information Returns Reporting by State*
- ACTB3045, *Backup Withholding Payments by Agency*

1099 Information Returns Reports, Continued

Reportable and Potentially Reportable Transactions

The ACTR3005, *1099 Reportable Transactions Report,* lists detailed payment transaction information by agency and reporting entity.

The ACTR3005 Report is generated on a monthly and year-end basis and distributed to the agencies participating in the Department of Accounts' Adjustment and Reporting System (ARS).

The options available for this report are A1 (Current Calendar Year); A2 (Prior Calendar Year); B1 (Monthly); B2 (Entire Year – See **Note**); C1 (Agency); C2 (Control Agency); D1 (Reportable Transactions), and D2 (Potentially Reportable Transactions). The latter two reports are discussed below:

- **Option D1 – 1099 Reportable Transactions** is by Reporting Entity, Vendor ID, and object code. This report includes payments coded to a reportable object code and a 1099 Reportable Indicator equal to "Y". Agencies are required to review this report for the proper accumulation of data by reporting entity, agency, Vendor ID, and object code. When corrections are warranted, agencies should process adjustment transactions through the 1099 Adjustment and Reporting System.

- **Option D2 – Potentially 1099 Reportable Transactions** is by Reporting Entity, Vendor ID and object code. It includes payments that were coded as a reportable object code, but the 1099 Reportable Indicator was left BLANK on the payment voucher. Agencies need to research the payments listed on this report to determine the 1099 reportability. When corrections are warranted, process the adjustment transactions through the 1099 Adjustment and Reporting System.

- **NOTE**: Since potentially 1099 reportable transactions are purged from the ARS after 3 months, the Entire Year D2 Report, which is run at the end of the calendar year, contains only the latest 3 months of data. Thus, agencies should make sure that they retain all the individual monthly D2 Reports, or make timely adjustments during the year.

- An example of this report is shown at the end of this Section.

1099 Information Returns Reports, Continued

Reportable Transactions With Adjustments

The ACTR3015, *Reportable 1099 Transactions with Adjustments*, summarizes the information reported on the ACTR3005, *1099 Reportable Transactions Report,* and the ACTB3000, *1099 Adjustment Transmittal Listing*, by Form Type and Reporting Box Number.

The ACTR3015 lists reportable transactions and adjustments by:

- Reporting Entity
- Vendor ID
- Object Code
- Form Type
- Reporting Box Number

The report frequency is quarterly (upon request) and calendar year end.

An example of this report is shown at the end of this Section.

Detail Reportable Transactions With Adjustments

The ACTR3010, *Detail Reportable 1099 Transactions with Adjustments*, lists detailed payment and adjustment transaction information by agency and reporting entity. The detail information is reported by Vendor ID and Object Code and is further summarized by Form Type and Reporting Box Number

The year-end report includes a detailed listing of all payment and adjustment transactions processed during the reporting year.

The ACTR3010 report is generated quarterly (upon request) and at calendar year end.

An example of this report is shown at the end of this Section.

1099 Information Returns Reports, Continued

Vendor Payments Subject to Information Returns Reporting

The ACTB3035, *Vendor Payments Subject to Information Returns Reporting,* summarizes the information reported on the ACTR3005, *1099 Reportable Transactions Report,* and the ACTB3000, *1099 Adjustment Transmittal Listing*, by Vendor ID, Form Type, and Reporting Box Number.

The ACTB3035 reports only those reportable vendors whose aggregate payments for the calendar year meet the IRS prescribed dollar reporting thresholds. The total dollars that are reported by Form Type on this report should mirror the total dollars by Form Type downloaded through FINDS and transferred to your information returns reporting software.

Reportable transactions and adjustments are reported by:

- Reporting Entity
- Vendor ID
- Object Code
- Form Type;
- Reporting Box Number.

The report frequency is calendar year in mid-January after the close of the year.

An example of this report is shown at the end of this Section.

Vendor Payments Subject to Information Returns Reporting By State

The ACTB3040, *Vendor Payments Subject to Information Returns Reporting by State*, summarizes the information reported on the ACTR3005, *1099 Reportable Transactions Report*, and the ACTB3000, *1099 Adjustment Transmittal Listing*, by Vendor ID, Form Type, and Reporting Box Number by the State in which the Vendor has his/her mailing address.

The ACTB3040 reports only those reportable vendors whose aggregate payments for the calendar year meet the federal dollar reporting thresholds.

1099 Information Returns Reports, Continued

Reportable transactions and adjustments are reported by:

- Reporting Entity
- Vendor ID
- Object Code
- Form Type
- Reporting Box Number

- By the State in which the Vendor has his/her mailing address.

The report frequency is calendar year.

An example of this report is shown at the end of this Section.

Example of an ARS Adjustment for a Potentially-Reportable Payment Shown on the Respective Year-End Reports

The following is an example of an ARS adjustment resulting from a potentially reportable payment to a sole proprietor (Mary Vine of New York, NY). **The example uses the following reports:**

ACTR 3005 (MONTHLY)   POTENTIALY 1099 REPORTABLE TRANSACTIONS BY AGENCY

ACTB 3000 (DAILY)   1099 ADJUSTMENT TRANSMITTAL LISTING

ACTB 3015 (MONTHLY)   REPORTABLE 1099 TRANSACTIONS WITH ADJUSTMENTS FOR 2001

ACTR 3010 (MONTHLY)   DETAIL REPORTABLE 1099 TRANS WITH ADJUSTMENTS FOR 2001

ACTB3035 (ANNUAL)   VENDOR PAYMENTS SUBJECT TO INFORMATION RETURNS REPORTING

ACTB3040 (ANNUAL)   VENDOR PAYMENTS SUBJECT TO INFORMATION RETURNS REPORTING BY STATE

Continued on next page

1099 Information Returns Reports, Continued

```
ACTR 3005  OPTIONS: A1 B1 C1 D2          COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM / CARS                AGENCY NO: 140
MONTHLY                                       DEPARTMENT OF CRIMINAL JUSTICE SERVICES                        AGENCY PAGE:    1
(PM)-CYCLE X                             POTENTIALLY 1099 REPORTABLE TRANSACTIONS BY AGENCY FOR 2001          REPORT PAGE:   19
RUN DATE 11/10/2001 01:03 A.M.                          AS OF 10/31/2001                               REQUEST NO.ACTR3005 A 01
```

AGY	VENDOR-ID	V-SFX	VENDOR-NAME	OBJECT	AMOUNT	BATCH-ID	VOUCHER	CDS	CK-NO	PYMT-DATE
140	111223333	33	MARK, LAUREL S.	1282	84.50	1402001101024650000011	002373		T0395525	20011015
			TOTAL OBJECT		84.50					
			TOTAL VENDOR-ID		84.50					
	SSN-111223333									
140	222334444	33	JOHNSTON, FRANK	1282	45.50	1402001100324310025	002139		T0394263	20011009
			TOTAL OBJECT		45.50					
			TOTAL VENDOR-ID		45.50					
	SSN-222334444									
140	333445555	00	DEWA, THOMAS E.	1282	26.60	1402001100224330028	FS002191		34986566	20011005
			TOTAL OBJECT		26.60					
			TOTAL VENDOR-ID		26.60					
	SSN-333445555									
140	110223333	00	ALO, CARMEL.	1282	9.88	1402001102325180002	002657		35054554	20011025
					25.08	1402001102325180001	002656		35054554	20011025
					34.96					
			TOTAL OBJECT		34.96					
			TOTAL VENDOR-ID							
	SSN-110223333									
140	220334444	00	VINE MARY	1244	939.27	1402001021226400001	0055279		35050243	20011024
					104.36	1402001021226400002	0055279		35050243	20011024
					1043.63					
			TOTAL OBJECT		1043.63					
			TOTAL VENDOR-ID							
	SSN-220334444									
140	330445555	00	WILLIAM, ADAM.	1282	44.85	1402001101825020000034	002549		35041266	20011022
					44.85	1402001101825020000035	002549		35041266	20011022
					4.75	1402001101024650000016	002375		35014773	20011012
					4.75	1402001101024680000015	002375		35014773	20011012
			TOTAL OBJECT		99.20					
TOTAL OBJECT										
140	330445555	00	WILLIAM, ADAM	1285	5.00	1402001101825020000036	002549		35041266	20011022
					5.00	1402001101825020000037	002549		35041266	20011022
			TOTAL OBJECT		10.00					
			TOTAL VENDOR-ID		109.20					
	SSN-330445555									

1099 Information Returns Reports, Continued

1099 Information Returns Reports1099 Information Returns Reports, Continued

1099 Information Returns Reports 1099 Information Returns Reports, Continued

```
ACTR 3010 OPTIONS: A2 B5        COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM / CARS         AGENCY NO :  140
MONTHLY                         DEPARTMENT OF CRIMINAL JUSTICE SERVICES                     AGENCY PAGE:   2
(FM)-CYCLE J                    DETAIL REPORTABLE 1099 TRANS WITH ADJUSTMENTS FOR 2001      REPORT PAGE:   3
RUN DATE 01/14/2002 11:18 PM                     AS OF 12/31/2001                 REQUEST NO. ACTR3010 A  00
                                          REPORTING ENTITY - 540852528

VENDOR-ID- 220334444    EINISSN: 220334444    VENDOR TYPE: 7    SOLE PROPRIETOR NAME: MARY VINE

NAME     VINE MARY
ADDRESS1 123 E 45TH ST APT 67A
ADDRESS2
CITY     NEW YORK                       STATE: NY        ZIP: 10021

1099 TYPE BOX OBJECT     AMOUNT    TOTAL BOX AMOUNT    BATCH ID          DC/CK NO  DC/CK DATE ATYPE
  M       07   1244      104.36                        14020020114 099                           8
  M       07   1244      939.27                        14020020114 099                           8
  M       07   1244       39.37                        14020020114 999                           8
  M       07   1244      354.38                        14020020114 999                           8
  M       07   1244    1,021.50                        14020020114 999                           8
  M       07   1244      113.50                        14020020114 999                           8
                                        2,572.38

VENDOR-ID: 200334444    EINISSN: 200334444    VENDOR TYPE: 7    SOLE PROPRIETOR NAME: HELEN DONNELL

NAME     DONNELL, HELEN
ADDRESS1 678 CLUE LESS COURT
ADDRESS2
CITY     ROCKVILLE                      STATE: MD        ZIP: 20853

1099 TYPE BOX OBJECT     AMOUNT    TOTAL BOX AMOUNT    BATCH ID          DC/CK NODC/CK DATE ATYPE
  M       07   1244    2,906.25                        14020010820321    34900001   20010913
                                        2,906.25

VENDOR-ID: 002334455    EINISSN: 002334455    VENDOR TYPE: 7    SOLE PROPRIETOR NAME: TRUDY BOSH

NAME     BOSH, TRUDY
ADDRESS1 1122 FORTLY PLACE
ADDRESS2
CITY     HARRISONBURG                   STATE: VA        ZIP: 22801

1099 TYPE / BOX OBJECT   AMOUNT    TOTAL BOX AMOUNT    BATCH ID          DC/CK NODC/CK DATE ATYPE
  M       07   1244      690.00          690.00        14020010914337    34978503   20011004
```

1099 Information Returns Reports 1099 Information Returns Reports, Continued


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ACTB3035          C O M M O N W E A L T H   A C C O U N T I N G   A N D   R E P O R T I N G   S Y S T E M   AGENCY NO 140
                         DEPARTMENT OF CRIMINAL JUSTICE SERVICES
01/14/2002 (22.43)    VENDOR PAYMENTS SUBJECT TO INFORMATION RETURNS REPORTING                            PAGE: 3
                         REPORTING ENTITY - 540852528

VENDOR-ID: 044556789    EINISSN:   04-4556789        VENDOR TYPE: 7

NAME JOAN CALLISCAT                                  SOLE PROPRIETOR NAME: JOAN CALLISCAT
ADDRESS1    789 HIGH MOUNTAIN ROAD
ADDRESS2
CITY        CHESAPEAKE                               STATE: VA    ZIP:  23322    TOTAL BOX AMOUNT

1099 TYPE / BOX        OBJECT        AMOUNT                                         5,550.00

   M        07          1246        3,700.00
   M        07          1246        1,850.00


VENDOR-ID: 220334444    EINISSN:   220334444         VENDOR TYPE: 7

NAME     VINE MARY                                   SOLE PROPRIETOR NAME: MARY VINE
ADDRESS1 123 E 45TH ST APT 67A
ADDRESS2
CITY     NEW YORK                                    STATE: NY    ZIP:  10021    TOTAL BOX AMOUNT

1099 TYPE / BOX        OBJECT        AMOUNT                                         2,572.38

   M        07          1244          939.27
   M        07          1244          104.36
   M        07          1244           39.37
   M        07          1244          354.38
   M        07          1244        1,021.50
   M        07          1244          113.50
```

Information Returns Reporting1099 Information Returns Reports,
Continued

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ACTB3040                COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM              AGENCY NO 140
01/14/2002 (22:43)          DEPARTMENT OF CRIMINAL JUSTICE SERVICES                   PAGE   3
                      VENDOR PAYMENTS SUBJECT TOINFORMATION RETURNS REPORTING BY STATE
                                  REPORTING ENTITY - 540852828

   M       07      1244                         562.50
   M       07      1244                          37.50
   M       07      1244                         150.00
                                                                                 750.00

TOTAL NC        750.00

VENDOR-ID:  220334444         EIN/SSN: 220-33-4444      VENDOR TYPE:7

NAME       VINE MARY                            SOLE PROPRIETOR NAME: MARY VINE
ADDRESS    123 E 45TH ST APT 67A
CITY       NEW YORK                       STATE: NY    ZIP:   10021

1099 TYPE / BOX     OBJECT           AMOUNT              TOTAL BOX AMOUNT

   M       07      1244             939.27
   M       07      1244             104.36
   M       07      1244              39.37
   M       07      1244             354.38
   M       07      1244           1,021.50
   M       07      1244             113.50
                                                                               2,572.38

TOTAL NY        2,572.38

VENDOR-ID:  044556789         EIN/SSN: 04-455-6789      VENDOR TYPE:  7

NAME       JOAN CALLISCAT                       SOLE PROPRIETOR NAME: JOAN CALLISCAT
ADDRESS    789 HIGH MOUNTAIN ROAD
CITY       CHESAPEAKE                     STATE: VA    ZIP:   23322

1099 TYPE / BOX     OBJECT           AMOUNT              TOTAL BOX AMOUNT

   M       07      1246           3,700.00
   M       07      1246           1,850.00
                                                                               5,550.00
```

FINDS Download

Overview   Agencies participating in ARS can electronically access their 1099 data through FINDS and download the data. Data downloaded through FINDS can be used to print information returns and to generate magnetic media or data for electronic transmission using a PC based software package. To accommodate PC based software packages for printing 1099 information returns, two file format options are available. **Agencies can access these files through FINDS starting the third week in January through March 31** of each year.

The two file formats are described below:

- The **Advanced Micro Solutions, Inc.(AMS) 1099 Etc. software** contains the necessary data elements for importing data from the 1099 Adjustment and Reporting System into the AMS 1099Etc. software.

- The **ASCII flat file** contains calendar year 1099 payment and adjustment transactions summarized by Vendor ID. To assist agencies in identifying their downloaded data, comma separators and title headings were added. This file can be imported into any software package accepting an ASCII file format.

The data summarized in each file format should agree to the information contained in the ACTB3035, *Vendor Payments Subject to Information Returns Reporting*. The ACTB3035 reports only those vendors whose aggregate payments for the calendar year meet the IRS dollar reporting thresholds.

FINDS Access   **User Access To FINDS**

ARS participating agencies must submit a FINDS security form to Database Administration at DOA for each User ID requesting access to Option 31, 1099 Reporting, on the **FINDS Master Menu**. When access has been established, users may select Option 31 to download their 1099 data in either the AMS or flat file format.

Continued on next page

FINDS Download, Continued

FINDS 1099 Reporting Extract

Access the ACTL2001, **FINDS – Master Menu Screen,** to download 1099 Information Returns data.

Step	Action
1	Enter Option 31, **1099 Reporting,** in the function line and press **Enter** to access the ACTL260, **FINDS – 1099 Reporting Extract Screen**.
2	Enter "**9" = Execute Request** in the Function Line
3	Complete the following fields to select your 1099 data.

<table>
<tr><td colspan="2"></td></tr>
<tr><th>Data Elements</th><th>Description</th></tr>
<tr><td>AGENCY</td><td>Enter the three digit agency code for the requesting agency</td></tr>
<tr><td>REQUEST NO</td><td>A three digit agency assigned number which is unique to a specific download request.</td></tr>
<tr><td>TITLE</td><td>An agency assigned title which is descriptive of the request to be performed. Example: Form M</td></tr>
<tr><td>AGENCY</td><td>Enter the three digit control agency or agency code for which the records are being extracted.</td></tr>
<tr><td>REPORTING ENTITY</td><td>Enter the 11 digit TIN for the reporting entity (agency or control agency grouping) for which the records are being extracted.</td></tr>
</table>

FINDS Download, Continued

FINDS 1099 Reporting Extract (continued)

Step	Action
	FORM TYPE Enter the type of 1099 form for which data is being extracted. Valid Values for this field are: **A** = 1099-A, Acquisition and Abandonment of Secured Property **G** = 1099-G, Governmental Payments **M** = 1099-M, Miscellaneous Income **Note:** The Form Type field is not required for agencies that select the flat file format option because the flat file contains all 1099 records and is not form specific.
4	Verify that the data keyed is correct and press **Enter**.
5	The next screen you will view is the ACTL2006, **FINDS - Dataset Information Screen**.
6	Insert **"9"** = **Execute Request** in the Function Line
7	Complete the following fields. **Data Elements** **Description** DATASET NAME Enter a unique dataset name for the records to be selected. **Note**: Each segment of the dataset name cannot be more than 8 characters, must always start with an alpha character, and is separated with a period (.). Agencies should use the following format to enter the dataset name: User's Logon.File format Option.Form Type
	Example: ACT1111.FLTA.FORMA, or ACT1111.AMS.FORMA OUTPUT FILE FORMAT Enter the file format option in which you want your 1099 data to be downloaded: **A** = AMS format **F** = Flat file format

Continued on next page

FINDS Download, Continued

Step	Action
8	Verify that the data keyed is correct and press **Enter**.
9	The number of detailed items selected from the database will be displayed. Enter a **Y** in the function field to continue and press **Enter**.
10	At this point, you will be returned to the **FINDS Main Menu**. The number of records written to the download file, along with the dataset name will be listed at the bottom left hand corner of this screen.

Note: Select Option 20 to view the selected data set on the screen. This option can be used to view the report prior to printing or downloading.

11	To begin downloading another form type, select Option 31. To exit FINDS and begin the PC download process select Option 99.
	Note: Agencies using the AMS file format must repeat this process for each 1099 form type to be filed.

Downloading to Software Packages Using ASC II Flat File

Due to the complexities of various software, DOA recommends that agencies refer to the instructions for the packaged software for guidance on importing ASCII flat file formats. In the ASCII flat file format, title heading and comma delimiters are used to format the file.

Agencies can use a spreadsheet such as EXCEL, a database software, or the DOS Editor function to view their downloaded data. While data elements such as the Vendor ID, Vendor Type, Form Type, Reporting Box Number, and dollar amount are included in the ASCII flat file format, the data is not sorted using these data elements. Therefore, agencies will need to perform several data sorts to organize their 1099 information prior to importing the data into their software.

DOA Support For the AMS Software

DOA no longer provides support for any specific 1099 information return software product. For calendar year 2004 information returns, agencies may continue to use the most current version of AMS 1099Etc. software. However, agencies are responsible for performing a download test of the ARS information returns data to the AMS 1099Etc.software to ensure that information is correctly mapped.

Continued on next page

Filing By Magnetic Media or Electronically

Magnetic Media or Electronic Filing

Whenever 250 or more of one type of 1099 Return are required, the returns must be filed with the IRS by magnetic media or electronically. See **Pub. 1220** (Rev. 9-2004), Specifications for Filing Forms 1098, 1099, 5498, and W-2G Magnetically or Electronically**.**

Agencies required to file magnetically or electronically, must file an initial **Form 4419,** Application for Filing Information Returns Magnetically/Electronically, to request authorization to file information returns with the IRS at least 30 days prior to the due date of the return. A single Form 4419 can be filed no matter how many types of 1099 information return the agency will be filing. Once approved, it is generally not necessary to reapply each year.

Additionally, **Form 4804**, Transmittal of Information Returns Reported on Magnetic Media, must accompany the magnetic media submission to the IRS.

The Form 4804 is not required for electronic filing.

Records Retention

Records Retention

Retain all documentation, reports, and workpapers for a period of 3 years for potential review and audit.

Agencies are required to maintain copies of Information Returns and supporting documentation for at least 3 years from the due date of the returns. Keep copies of the Information Returns for 4 years if backup withholding is imposed.

Contents

IRS Call Site(s)   Magnetic Media, Electronic filing and Other Questions:
Call (304) 263-8700 or call toll free at (866) 455 7438.

During the busy season, you may have to wait for them to return your call.
For this reason, it is suggested that you call early in the day. They are open
from 8:30 am to 4:30 pm, Monday through Friday.

DOA   **DOA web site:**
http://www.doa.virginia.gov
Click on the "Financial Reporting" button
Click on the "IRS Information Returns – 1099 Information" button.

Nick Whitby, CMIA/1099 Coordinator
Telephone: (804) 371-7808
FAX: (804) 225-3499
E-Mail: nicholas.whitby@doa.virginia.gov

FINDS Support Help Desk
Telephone   (804) 225-3088

Subject Cross References

References   **IRS Publication 1220,** *Specifications for Filing Forms 1098, 1099, 5498, and W-2G Magnetically or Electronically*
CAPP Topic No. 20310—*Expenditures*
C**APP Topic No. 20319**—*Electronic Federal Tax Payments Processing*
CAPP Topic No. 20320—*Information Returns Reporting*
CAPP Topic No. 20355—*Purchasing Charge Card*
CAPP Topic No. 60111—*Vendor Edit Table*
CAPP Topic No. 60112—*Table Maintenance*
CAPP Topic No. 70220—*Security*
CAPP Topic No. 70235—*Input Batching*
CAPP Topic No. 70705—*FINDS: CARS and 1099 Downloading*